

Michael F. Easley
Governor



State of North Carolina Office of the Governor

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NC SMALL BUSINESSES FARE WELL IN TECHNOLOGY RANKINGS

RALEIGH - Small businesses in North Carolina ranked fourth in the nation in the total amount of dollars received from the competitive Small Business Technology Transfer Program (STTR), announced Gov. Mike Easley today. State businesses received nearly \$5 million in award money for fiscal year 2002, behind only California, Massachusetts and Virginia.

"These awards show that North Carolina's efforts to help small businesses are yielding tangible and positive results," said Easley. "Our small businesses are recognized as among the most competitive in the nation."

The STTR rankings measure the level of research and development funds received by each state from the five federal departments required by the STTR to give a portion of their funds to small businesses. The five departments are the Department of Defense, the Department of Energy, the Department of Health and Human Services, the National Aeronautics and Space Administration and the National Science Foundation.

Once companies submit proposals, these agencies allocate STTR awards based on the institution qualification, degree of innovation and future market potential of the business. To qualify for the award, businesses must be American-owned and independently operated; be for-profit; have a principal researcher not be employed by the business; and employ less than 500 workers.

Awards are made in two phases. Phase I is the startup phase, with up to \$100,000 available to companies for approximately six months support of the technical merit or feasibility of an idea.

Winners of Phase I are eligible for Phase II awards, which give up to \$750,000 for as many as two years to expand Phase I results. During this time, research and development work is performed to evaluate commercialization potential.

In total number of awards (both Phase I and Phase II), North Carolina tied for 5th with Pennsylvania, trailing California, Massachusetts, Virginia and Texas.

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